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SUBJECT: MEDIA REACTION: PRESIDENT CHEN CEDING POWERS

**¶1.** Summary: Taiwan's major Chinese-language dailies focused their coverage June 7 on the former Financial Supervisory Commission Examination Bureau Director, Lee Chin-cheng, who was sentenced Tuesday to 10 years in jail for graft and insider trading; the indictment of Straits Exchange Foundation Vice Chairman Chang Chun-hong for alleged embezzlement from a corporation of which he was a director; the pan-Blue camp's plan to recall President Chen Shui-bian; and investigations into President Chen's son-in-law's insider trading scandal and questionable gifts received by First Lady Wu Shu-chen. The mass-circulation "Apple Daily" ran a colored banner headline on page three that read "First Shot to Bring Bian Down, Pan-Blue Camp to Push for Recall." The sub-headline added "59 Percent of Those Polled Said [Recall Motion] Is Made to Safeguard Justice, While 31 Percent Said Disregards People's Livelihoods." The pro-unification "United Daily News" front-paged that the KMT will propose a no-confidence vote on Su Tseng-chang's Cabinet in September. The pro-independence "Liberty Times," Taiwan's biggest daily, on the other hand, ran a banner headline on page two that said "Pan-Blue Camp Joins Together to Push for Recall, Su Blasts It as Creating Chaos."

Almost all papers reported on inside pages AIT Chairman Raymond Burghardt's upcoming visit to Taiwan later this week. Several papers also carried remarks by an unnamed State Department official Tuesday, who refuted a Central News Agency report which claimed that "Washington hopes Chen could successfully finish his term of office." These papers also quoted another unnamed U.S. official as saying that the United States has no intention of interfering in Taiwan's internal affairs.

**¶2.** In terms of editorials and commentaries, a "Liberty Times" editorial urged both the ruling and opposition parties to uphold democracy and resolve Taiwan's political chaos rationally. Editorials in the limited-circulation, pro-independence, English-language "Taipei Times" and "Taiwan News" both urged the public to remain cool and not give politicians an opportunity to cause further strife. An "Apple Daily" editorial said the best solution is for Chen to step down himself. A "United Daily News" analysis said the recall motion launched by the pan-Blue camp is just a means to set the groundwork for bringing Chen down. An editorial in the limited-circulation, conservative, pro-unification, English-language "China Post" said ceding power has left Chen a weaker lame duck. End summary.

A) "Public Are Watching Who Is Statesman and Who Is Politician"

The pro-independence "Liberty Times" [circulation: 600,000] editorialized (6/7):

"Taiwan's political situation is in chaos; not merely has the local stock market encountered extraordinary fluctuation, even the United

States is deeply concerned about it. Is Taiwan's democracy able to stand the test? This is a topic that both the ruling and opposition parties as well as their leaders must face. ... It is the opposition parties' job to supervise the government, but deviation from democracy and rule of law is by no means something the rational public can tolerate. All Taiwan people are looking forward to seeing how the ruling DPP, entrusted by the Taiwan public, will resolve the political chaos. The performances of the ruling and opposition parties as well as all political figures will be the key to tell who is a statesman and who is a politician, and whether they can win the people's trust in the future. ..."

B) "Time for Cooler Heads"

The pro-independence, English-language "Taipei Times" [circulation: 30,000] editorialized (6/7):

"... The scandals surrounding Chen's entourage and his family are extremely regrettable. It is imperative that law enforcement officials conduct a thorough investigation into all the allegations and find out who is responsible. The public should remain cool and not give politicians an opportunity to engage in further strife. While the recall proposal can be discussed at the special legislative session, issues involving people's livelihoods should top the agenda. Otherwise, contention over the recall is likely to overwhelm all other bills, rendering a special session pointless."

C) "The Best Time to Change is 2008"

The pro-independence, English-language "Taiwan News" [circulation: 20,000] editorialized (6/7):

"... The launching of a recall movement by the KMT and PFP is clearly aimed to create more social chaos and try to pressure the president to quit on his own accord and does not seriously aim to hold a recall vote, which could, if it failed, actually bolster instead of undermining his legitimacy and political position. ... The only way to change the fact that the DPP is Taiwan's governing party would be for a recall of both Chen and Lu to succeed. Since the chances of passage for a recall against Chen are virtually nil and there is no rationale for a recall petition against the vice president, the best and most honorable course for the KMT camp to take if they are bent on 'winning back' Taiwan will be to cease moves aiming to negate the people's verdict in the March 2000 and March 2004 presidential elections. Instead, we urge the KMT and PFP to clean their own houses and prepare to compete with the DPP for the mandate of the people based on their proposed policies, capability and integrity in the next scheduled presidential elections in March 2008."

D) "The Best Way is for Bian to Resign"

The mass-circulation "Apple Daily" [circulation: 500,000] commented in an editorial (6/7):

"... This newspaper believes that it is in the opposition parties' 'constitutional' power to recall [the president] and cast a no-confidence vote on the Cabinet, and there's nothing wrong about that. If the public despises the Bian administration and there is clear evidence proving its corruption and negligence of duties, the recall motion can at least truthfully reflect public opinion; the opposition parties will have fulfilled their responsibilities even if the motion fails to cross its high threshold. The move to cast a no-confidence vote is very complicated, but it is still another way to show public outrage. The third way is simply to take to the streets. With the three approaches applied together, even if they cannot make Bian step down, they can ensure that he clearly understands the public's ill feelings about him, otherwise Bian will play the same old tricks of trying to break off his own tail, shift the public's attention, and become himself again after the upheaval is over.

"The DPP's move to cite the reasons that Bian himself is not involved in any wrongdoing in an attempt to resist the public calls for recall and asking him to resign is indeed far-fetched. The essential element for the president to resign is not simply based on whether he has violated the law. Moral flaws, family members playing with their prestige and law, bankrupt leadership, and a

credibility breakdown are reasons for the president to resign as a gesture of self-reproach. ..."

E) "Having Seen Through Bian's Avarice and Corruption, Ma Invokes Thunderbolt Approaches"

Journalist Fan Ling-chia said in an analysis in the pro-unification "United Daily News" [circulation: 400,000] (6/7):

"... Ma Ying-jeou's final view of Bian is the major reason why his strategic thinking has turned resolute. He defined the recall motion as a polarized confrontation between 'cleanliness versus corruption,' and asked the pan-Green legislators to decide whether they want to support corruption or support cleanliness. When Ma said Tuesday that 'the First Lady and President Chen seem allegedly involved [in the corruption scandals]' is akin to firing the first shot in the follow-up battle. ..."

"People in the Blue camp analyzed that the recall motion is just a means and not an end; it was meant to 'set the groundwork' for a comprehensive plan to bring Bian down. The Legislative Yuan will list the motion to recall Chen as the first priority in its interim session in an attempt to entice Green legislators and strengthen the alliance between the KMT and the PFP. Should the scandals continue to burn upwards to Bian, the Green legislators who oppose the recall motion will be stuck in a dilemma. ..."

F) "Ceding Power Has Left Chen a Weaker Lame Duck"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (6/7):

"On the surface, President Chen Shui-bian appears to have defused a storm of rebellion within the ruling Democratic Progressive Party and stabilized his leadership role, after he decided last week to cede some of his powers to Premier Su Tseng-chang. But in reality, Chen has seen his authority drastically undercut as a result of the move, leaving him now a weaker lame duck. On the other hand, the public outrage triggered by corruption scandals shows no sign of abating as a result of a series of reform moves he took following his announcement to delegate all but certain powers specifically prescribed in the Constitution. ..."

"The situation could become even more difficult for Chen in the days ahead should prosecutors rush to prosecute Chao [i.e. Chen's son-in-law] on insider transactions alone and release him on bail, leaving all other allegations that implicate him to be probed in an uncertain future time. Such a decision would be seen by the already angry public as a result of political intervention."

YOUNG